

**2001 DRAFTING REQUEST****Senate Amendment (SA-SB55)**Received: **05/24/2001**Received By: **isagerro**Wanted: **As time permits**

Identical to LRB:

For: **Legislative Fiscal Bureau**By/Representing: **Carreon**This file may be shown to any legislator: **NO**Drafter: **isagerro**

May Contact:

Addl. Drafters:

Subject: **Public Assistance - Wis works**

Extra Copies:

Submit via email: **NO**

Requester's email:

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**Pre Topic:**

LFB:.....Carreon -

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**Topic:**

W-2 contract modifications

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**Instructions:**

See Attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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Page 2

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Page 1

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W-2 contract modifications

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**Instructions:**

See Attached

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Page 1

**2001 DRAFTING REQUEST****Senate Amendment (SA-SB55)**

Received: 05/24/2001

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This file may be shown to any legislator: NO

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Subject: Public Assistance - Wis works

Extra Copies:

Submit via email: NO

Requester's email:

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Sep. Draft

MO# 796  
 Burke  
 Decker  
 Moore  
 Shibilski  
 Plache  
 Wirch  
 Darling  
 Welch  
 Gard  
 Kaufert  
 Albers  
 Duff  
 Ward  
 Huebsch  
 Huber  
 Coggs

Senator Moore  
 Representative Gard

# TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

## W-2 Contract Policy Issues

[LFB Paper #1043]

### Motion:

Direct DWD to modify its contract terms for the 2002-2003 W-2 contracts to allow agencies to receive a one-case credit only to meet the base contract and right of first selection benchmark, ~~and not to receive the community reinvestment bonus or the unrestricted bonus.~~

Direct DWD to amend its contract terms for the 2002-2003 W-2 contracts to make ~~one or more~~ <sup>all of the following</sup> of the following changes to the performance standards:

a. Modify the extension requests standard to require timely processing and CARES documentation of requests as a base contract and right of first selection requirement. Eliminate the use of this standard in determining community reinvestment funds and unrestricted bonus funds.

b. Modify the customer satisfaction standard to distribute unrestricted bonus funds to all agencies that have an average score exceeding 6.5 on each survey item, instead of providing unrestricted bonuses only to the top-10 scoring agencies.

c. Modify the financial management standard to require "significant audit finding" to include an audit finding of unallowable or questioned costs of a certain percentage of the contract amount.

Modify the statutes to require DWD to utilize a competitive process to select W-2 agencies starting with the 2004-2005 contracting process, using criteria including but not limited to cost and prior experience, unless it opts to re-contract with agencies based on standards developed by the Department. Direct DWD to modify its contract terms for the 2002-2003 W-2 contracts to reflect this policy change for the 2004-2005 contracts. This would provide DWD with the flexibility to utilize either a competitive process or right of first selection process.

Modify the statutes to specify that right of first selection would not apply for the 2004-2005 W-2 contracts in cases where the geographic area had been changed, effective for the 2004-2005 contracts. Direct DWD to amend the contract terms for the 2002-2003 contracts to state that the right of first selection will not apply for the 2004-2005 contracts in cases where the geographic area has been changed.

Direct DWD to modify its contract terms for the 2002-2003 W-2 contracts to specify that penalties for unallowable expenditures would be 50% of the unallowable amount.

Motion #790

1st P. ATT3  
 if only take one case to meet stds.

all of the following

is this that DWD can do on other things? So, even if DWD opt for RFS, still can't if area is changed?

on-going

NS



pass-through program; (k) an increase of \$190,600 annually for the kinship care program to correct an inadvertent error; (l) an increase of \$1,856,200 in 2001-02 and \$3,024,400 in 2002-03 for the caretaker supplement program to correct an inadvertent error and to fully fund the program; (m) an increase of \$50,100 in 2001-02 and \$62,600 in 2002-03 for state administration to correct an inadvertent error; (n) a decrease of \$18,800 in 2001-02 and \$25,100 in 2002-03 for fraud and front-end verification to correct an inadvertent error; (o) an increase of \$3,645,900 in 2001-02 for the early childhood excellence program; and (p) a decrease of \$4,800 annually for adolescent services/ pregnancy prevention programs to correct an inadvertent error.

4. LFB Paper #1042. Alternative 2. Deny the recommended increase in W-2 benefits, which would provide benefits for 7,244 families on a monthly basis as opposed to 7,651 families under the Governor's proposal, resulting in a decrease of \$1,386,500 FED in 2001-02 and \$2,773,000 FED in 2002-03.

5. LFB Paper #1042. Alternatives 6a and 6b. Transfer food stamp and MA eligibility determination from the W-2 contracts to the income maintenance contracts and: (a) delete the provision in current law requiring W-2 agencies to certify eligibility for and issue food stamps, to the extent permitted by federal law or a waiver from the U.S. Department of Health and Human Services; and (b) delete the provision in current law allowing W-2 agencies to administer MA eligibility determination to the extent permitted by federal law or a waiver from the U.S. Department of Health and Human Services.

6. LFB Paper #1042. Alternative 7b. Decrease the allocation for administration and services in the W-2 contracts by 5% from the Governor's recommendation (net of amounts for MA and food stamp eligibility determination) for a total savings of \$2,611,100 FED in 2001-02 and \$5,222,200 FED in 2002-03. Modify the statutes to specify that funding allocated under the contracts for benefits may not be transferred to the allocation for services and administration, effective January 1, 2002.

7. LFB Paper #1042. Alternative 8a. Reduce the allocation for performance bonuses in 2001-02 by \$1,951,800 FED to reflect the amount of bonuses agencies are projected to receive based on calendar year 2000 performance.

8. LFB Paper #1042. Alternative 9b. Instruct DWD to place an amount equal to 4% of the contract amount for performance bonuses in the contract terms for the 2002-2003 W-2 contracts. Specify that agencies would be eligible for the first 2% if they meet the performance standards set in DWD's draft contract terms for community reinvestment. Specify that agencies would be eligible for the second 2% if they meet the performance standards in DWD's draft contract terms for unrestricted performance bonuses.

9. LFB Paper #1042. Modify the allocation for the last six months of community reinvestment funding associated with the 1997-99 W-2 contracts (\$20,849,000) by: (a) directing DWD to not extend the deadline for expending funds for community reinvestment associated with the 1997-1999 W-2 contracts past December 31, 2001; (b) specifying that any community reinvestment funds not expended by that date would be placed in the Joint Committee on Finance's program supplements appropriation to be used as a contingency fund for W-2 cash benefits, child

care subsidies and kinship care benefits.

10. LFB Paper #1042. Alternative 12b. Reduce the allocation for community reinvestment in 2001-03 by \$12,734,800 FED to reflect not rebudgeting funds that were unspent in 1999-01 for the first six months of community reinvestment associated with the 1997-1999 W-2 contracts.

11. LFB Paper #1042. Alternative 15. Direct DWD to eliminate community reinvestment funding from the 2002-2003 W-2 contracts. *K. modifying*

12. LFB Paper #1043. Require DWD to hold public hearings and consult with the Milwaukee County Department of Human Services prior to implementing any changes to the W-2 geographic regions.

13. LFB Paper #1044. Alternative 4. Eliminate \$500,000 annually for the Milwaukee Private Industry Council. Modify the statutes to require DWD to perform the following oversight and coordination functions for W-2 agencies in Milwaukee County: (a) monitor agencies' compliance with the provisions in their contracts; (b) provide technical assistance; and (c) assist in the coordination of W-2 services among the five Milwaukee County W-2 agencies.

14. LFB Paper #1045. Delete the statutory language allowing DWD to submit a plan to the Secretary of DOA for approval to limit participation in the Wisconsin Shares program if DWD determines that funds allocated for child care subsidies are insufficient to provide a subsidy to eligible recipients.

15. LFB Paper #1046. Provide additional funding for child care subsidies of \$32,025,000 FED in 2001-02 and \$63,075,000 FED in 2002-03.

16. LFB Paper #1046. Alternative 4. Reduce funding for the following items: (a) \* employment skills advancement program (\$100,000 annually); (b) children first (\$1,660,000 annually); (c) state administration (\$18,800 in 2001-02 and \$25,100 in 2002-03); (d) work-based learning programs (\$6,399,000 in 2001-02 and \$2,000,000 in 2002-03); (e) workforce attachment and advancement (\$359,000 in 2001-02 and \$5,000,000 in 2002-03); (f) early childhood excellence (\$5,000,000 in 2002-03); and (g) early pregnancy identification (\$100,000 annually).

17. LFB Paper #1047. Revise the statutory provisions relating to the indirect child care allocation for 2001-03 to allow funds to be used for a child care scholarship and bonus program, safe child care activities and the DWD Office Child Care. *DWD # in 49,155*

18. LFB Paper #1047. Alternative 4. Decrease funding for indirect child care to reflect a reduction of: (a) \$750,000 annually for resource and referral agencies; and (b) \$182,200 annually for day care administration for Milwaukee County foster parents. *not 49,155*

19. LFB Paper #1047. Eliminate \$1,000,000 FED annually of funding for child care quality improvement grants and provide \$1,000,000 FED annually for a high quality child care demonstration project in Racine County. *can be used under 49,155*

**Sager-Rosenthal, Ivy**

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**From:** Carreon, Victoria  
**Sent:** Thursday, May 24, 2001 2:34 PM  
**To:** Sager-Rosenthal, Ivy  
**Subject:** JFC action

For #11 in the motion, Rob and I agreed that non-statutory language would probably be appropriate

LRBb0366/1 looks fine.

## Sager-Rosenthal, Ivy

---

**From:** Carreon, Victoria  
**Sent:** Wednesday, May 30, 2001 1:01 PM  
**To:** Sager-Rosenthal, Ivy  
**Subject:** RE: Motion 346 - #8.

OK- the May terms are fine.

-----Original Message-----

**From:** Sager-Rosenthal, Ivy  
**Sent:** Wednesday, May 30, 2001 11:49 AM  
**To:** Carreon, Victoria  
**Subject:** RE: Motion 346 - #8.

I took a look at the changes, the only change in performance standards was in s. 6.6.1 on page 3, under "Deliver High-Quality . . . ." In the May version, "Appropriate tier placement" was changed to "Assessment for Appropriate W-2 Placement and Extension". If I refer to the April contract terms, then the May change won't be included. Also, referring to the April terms will require a provision to direct DWD to amend the May terms back to the April terms. It seems like a lot to do for just a minor change. Could we refer to the May terms? I know this is getting really technical but I'm guessing that DWD will find problems with the provision unless it's really spelled out for them. Let me know what you think. As always, call me if you want to discuss.  
Ivy

-----Original Message-----

**From:** Carreon, Victoria  
**Sent:** Wednesday, May 30, 2001 11:02 AM  
**To:** Sager-Rosenthal, Ivy  
**Subject:** RE: Motion 346 - #8.

I don't think there were any substantial revisions, but I was working off of the terms issued on April 23, 2001- so it is probably best to refer to the April 23, 2001 version.

-----Original Message-----

**From:** Sager-Rosenthal, Ivy  
**Sent:** Wednesday, May 30, 2001 10:52 AM  
**To:** Carreon, Victoria  
**Subject:** Motion 346 - #8.

When were the draft contract terms issued by DWD? On DWD's website, the contract terms appear to have been updated on May 14, 2001. Is it correct to refer to the contract terms as "the draft contract terms issued by the department on May 14, 2001" or did JCF have the earlier terms in mind? (Did the terms change between the first draft and the second draft?)

Thanks,  
Ivy

*Ivy G. Sager-Rosenthal*  
*Legislative Attorney*  
*Legislative Reference Bureau*  
*P.O. Box 2037*  
*Madison, WI 53701-2037*  
*(608) 261-4455*



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRBb0367/1

ISR:.....

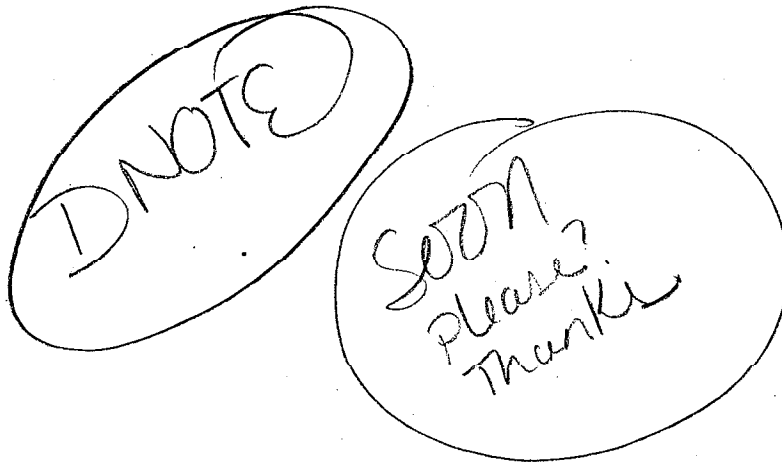
LA

LFB:.....Carreon - W-2 contract modifications

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144



At the locations indicated, amend the bill as follows:

1. Page 790, line 21: after that line insert:

“SECTION 1657g. 49.143 (1) (a) of the statutes is repealed and recreated to read:

49.143 (1) (a) Except as provided in par. (ar), the department may do any of the following:

1. Award a contract, on the basis of a competitive process approved by the secretary of administration, to any person to administer Wisconsin works in a geographical area determined by the department under sub. (6).

2. Contract with a Wisconsin works agency to administer Wisconsin works if that agency has met the performance standards established by the department under sub. (3), during the immediately preceding contract period.

SECTION 1657j. 49.143 (1) (ag) of the statutes is created to read:

1 49.143 (1) (ag) A contract entered into under par. (a) 2. shall be for a term of  
 2 at least 2 years. A Wisconsin works agency may elect not to enter into a contract  
 3 under par. (a) 2. if the Wisconsin works agency informs the department by the date  
 4 established by the department that the Wisconsin works agency has made that  
 5 election. A Wisconsin works agency that has not met the performance standards  
 6 established by the department under sub. (3) may apply for a contract under the  
 7 competitive process established under par. (a) 1.

8 **SECTION 1657m.** 49.143 (1) (am) of the statutes is repealed.

9 **SECTION 1657p.** 49.143 (1) (ar) of the statutes is created to read:

10 49.143 (1) (ar) If the department changes the geographical areas for which a  
 11 Wisconsin works agency administers Wisconsin works as provided under sub. (6), the  
 12 department shall award contracts on the basis of the competitive process established  
 13 by the department under par. (a) 1. regardless of whether a Wisconsin works agency  
 14 has met the performance standards established by the department under sub. (3)

15 **SECTION 1657r.** 49.143 (1) (ay) of the statutes is amended to read:

16 49.143 (1) (ay) A county or tribal governing body that enters into a contract  
 17 under par. (a) or (am) but elects not to compete for a subsequent contract under par.

18 (a) 1. shall provide the notice required under this paragraph at least 6 months prior  
 19 to the expiration of its contract under par. (a) or (am) 1. A county or tribal governing

20 body that elects not to enter into a contract under par. (am) 1. (a) 2. or to compete for

21 a contract under par. (am) 2. (ag) shall provide the notice required under this  
 22 paragraph by the date established by the department, by rule, under par. (am) 1. (ag)

23 The notice shall be provided to all employees of the county or tribal governing body

24 who may be laid off as a result of the county's or tribal governing body's election not

25 to enter into or compete for a contract and to the certified or recognized collective

and is eligible  
to contract  
with the  
department  
under par.  
(a) 2

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1 bargaining representatives of such employees, if any. The notice shall inform the  
2 employees and the representatives that the county or tribal governing body is  
3 making the election not to enter into or compete for a contract; that the employees  
4 may be laid off as a result of that election; that the employees may wish to consider  
5 forming a private agency to bid on the contract under par. (a) 1; that the employees  
6 may obtain information from the department on the competitive process under par.  
7 (a) 1, and the contract requirements under this section; and that the employees may  
8 obtain information from the department on steps that the employees might take to  
9 organize themselves to form a private agency for the purposes of competing for a  
10 contract under par. (a) 1. The department shall provide the information specified  
11 in this paragraph upon the request of any employee or collective bargaining  
12 representative described in this paragraph.

History: 1995 a. 216, 289; 1997 a. 27, 36, 236, 318; 1999 a. 9, 32.

13 **2.** Page 1780, line 16: after that line insert:

14 **(9p)** <sup>e</sup> WISCONSIN WORKS CONTRACTS FOR THE 2002-03 CONTRACT PERIOD.

15 (a) *Definitions*. In this subsection:

16 1. "Department" means the department of workforce development.

17 2. "Draft contract terms" means the draft contract terms issued by the  
18 department of workforce development on May 14, 2001, for Wisconsin works  
19 contracts having a term that begins on January 1, 2002, and ends on December 31,  
20 2003.

21 3. "Wisconsin works" has the meaning given in section 49.141 (1) (p) of the  
22 statutes.

23 4. "Wisconsin works agency" has the meaning given in section 49.001 (9) of the  
24 statutes.

1           5. "Wisconsin works contract" means a contract to administer Wisconsin works  
2 under section 49.143<sup>✓</sup> of the statutes, as affected by this act.

3           (b) *Performance bonuses.*<sup>✓</sup> Each Wisconsin works contract having a term that  
4 begins on January 1, 2002, and ends on December 31, 2003, shall require the  
5 department to do all of the following:

6           1. Pay a Wisconsin works agency an amount equal to 2% of the total amount  
7 of the contract if the agency meets the performance standards for community  
8 reinvestment that are required under paragraph (d)<sup>✓</sup> and the agency is otherwise  
9 eligible to receive payment under the contract.

10          2. Pay a Wisconsin works agency an amount equal to 2% of the total amount  
11 of the contract if the agency meets the performance standards for unrestricted  
12 performance bonus that are required under paragraph (d)<sup>✓</sup> and the agency is  
13 otherwise eligible to receive payment under the contract.

14          (c) *Sanctions for unallowable expenses.* Each Wisconsin works contract having  
15 a term that begins on January 1, 2002, and ends on December 31, 2003, shall require  
16 a Wisconsin works agency that submits to the department unallowable expenses,  
17 including expenses that are not reasonable and necessary for the delivery of  
18 Wisconsin works services, to pay to the department a sanction equal to<sup>✓</sup> 50% of the  
19 total amount of unallowable expenses that were submitted by the<sup>✓</sup> Wisconsin works  
20 agency.

21          (d) *Performance standards.* Each Wisconsin works contract having a term that  
22 begins on January 1, 2002, and ends on December 31, 200<sup>3</sup>~~2~~, shall include the  
23 performance standards specified in the department's contract terms except that each  
24 contract shall specify all of the following:

*draft*<sup>✓</sup>



1 1. That the department only may grant a Wisconsin works agency a one-case  
2 credit for purposes of determining whether the agency meets the base contract  
3 benchmark and whether the agency is eligible to contract with the department under  
4 section 49.143 (1) (a) 2. ✓ of the statutes, as created by this act.

5 2. That no Wisconsin works agency may receive a one-case ✓ credit for purposes  
6 of determining whether the agency is eligible for unrestricted bonus funds.

7 3. That the performance standards the department uses to determine whether  
8 the Wisconsin works agency meets the base contract benchmark and whether the  
9 Wisconsin works agency is eligible to contract with the department under section  
10 49.143 (1) (a) 2. ✓ <sup>of the statutes</sup> as created by this act, include an extension request standard that  
11 requires timely processing of requests for extensions and timely documentation of  
12 those requests on the client assistance for reemployment and economic support  
13 computer system.

14 4. That no Wisconsin works agency may be required to meet the extension  
15 requests standards <sup>subdivision</sup> under ~~sub~~ 3. to be eligible for unrestricted bonus funds.

16 5. That, if the Wisconsin works agency has an average score of 6.5 on each  
17 survey item under the financial management ~~standards~~ and is otherwise eligible to  
18 receive payment under the contract, the agency shall be eligible for unrestricted  
19 bonus funds.

20 6. That the significant audit finding item that is part of the financial  
21 management performance ✓ standard includes an audit finding that the unallowable  
22 or questioned costs exceed a percentage of the total amount of the contract that is  
23 determined by the department.

24 (e) *Community reinvestment funds.* No Wisconsin works contract having a  
25 term that begins on January 1, 2002, and ends on December 31, 2003, may include

1 a provision that provides community reinvestment funds to a Wisconsin works  
2 agency.”.

3 **3.** Page 1813, line 13: after that line insert:

4 “(8c) WISCONSIN WORKS CONTRACTING PROCESS. The treatment of section 49.143  
5 (1) (a), (ag), (am), (ar), and (ay) of the statutes first applies to contracts entered into,  
6 extended, modified, or renewed on the effective date of this subsection.”.

7 **4.** Page 1826, line 22: after that line insert:

8 “(2c) WISCONSIN WORKS CONTRACTING PROCESS. The treatment of section 49.143  
9 (1) (a), (ag), (am), (ar), and (ay) of the statutes and SECTION 9358 (8c) of this act take  
10 effect on February 1, 2002.”.

11 (END)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBb0367/1dn

ISR:.....  
jld

Victoria Carreón:

This amendment contains Motion #790 and Items 8. and 11. of Motion #346. Please review the amendment carefully to make sure that it is consistent with your intent.

The effective date for the modifications to the contracting process is February 1, 2002, ✓  
to ensure that the changes will not apply to the 2002-03 contracts.

Please feel free to contact me if you have any questions or concerns.

Ivy G. Sager-Rosenthal  
Legislative Attorney  
Phone: (608) 261-4455  
E-mail: ivy.sager-rosenthal@legis.state.wi.us

Insert 3-12

Section <sup>1657u</sup> ~~49.143~~ (1) (b) <sup>✓</sup> of the statutes is amended to read:

~~\*~~ 49.143 (1) (b) If no acceptable provider in a geographical area is selected under par. (a) <sup>strike</sup> ~~or (am)~~,  
the department shall administer Wisconsin works in that geographical area. <sup>2)</sup>

History: 1995 a. 216, 289; 1997 a. 27, 36, 236, 318; 1999 a. 9, 32.

(end ins 3-12)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBb0367/1dn  
ISR:jld:jf

June 4, 2001

Victoria Carreón:

This amendment contains Motion #790 and Items 8. and 11. of Motion #346. Please review the amendment carefully to make sure that it is consistent with your intent.

The effective date for the modifications to the contracting process is February 1, 2002, to ensure that the changes will not apply to the 2002-03 contracts.

Please feel free to contact me if you have any questions or concerns.

Ivy G. Sager-Rosenthal  
Legislative Attorney  
Phone: (608) 261-4455  
E-mail: [ivy.sager-rosenthal@legis.state.wi.us](mailto:ivy.sager-rosenthal@legis.state.wi.us)



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRBb03671T

ISR:jld:jf

EMR

LFB:.....Carreon - W-2 contract modifications

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

NOTE

Seem

1 At the locations indicated, amend the bill as follows:

2 1. Page 790, line 21: after that line insert:

3 "SECTION 1657g. 49.143 (1) (a) of the statutes is repealed and recreated to read:

4 49.143 (1) (a) Except as provided in par. (ar), the department may do any of the  
5 following:

6 1. Award a contract, on the basis of a competitive process approved by the  
7 secretary of administration, to any person to administer Wisconsin works in a  
8 geographical area determined by the department under sub. (6).

9 2. Contract with a Wisconsin works agency to administer Wisconsin works if  
10 that agency has met the performance standards established by the department  
11 under sub. (3), during the immediately preceding contract period.

12 SECTION 1657j. 49.143 (1) (ag) of the statutes is created to read:

1           49.143 (1) (ag) A contract entered into under par. (a) 2. shall be for a term of  
2           at least 2 years. A Wisconsin works agency may elect not to enter into a contract  
3           under par. (a) 2. if the Wisconsin works agency informs the department by the date  
4           established by the department that the Wisconsin works agency has made that  
5           election. A Wisconsin works agency that has not met the performance standards  
6           established by the department under sub. (3) may apply for a contract under the  
7           competitive process established under par. (a) 1.

8           **SECTION 1657m.** 49.143 (1) (am) of the statutes is repealed.

9           **SECTION 1657p.** 49.143 (1) (ar) of the statutes is created to read:

10          49.143 (1) (ar) If the department changes the geographical areas for which a  
11          Wisconsin works agency administers Wisconsin works as provided under sub. (6), the  
12          department shall award contracts on the basis of the competitive process established  
13          by the department under par. (a) 1. regardless of whether a Wisconsin works agency  
14          has met the performance standards established by the department under sub. (3)  
15          and is eligible to contract with the department under par. (a) 2.

16          **SECTION 1657r.** 49.143 (1) (ay) of the statutes is amended to read:

17          49.143 (1) (ay) A county or tribal governing body that enters into a contract  
18          under par. (a) ~~or (am)~~ but elects not to compete for a subsequent contract under par.  
19          (a) 1. shall provide the notice required under this paragraph at least 6 months prior  
20          to the expiration of its contract under par. (a) ~~or (am) 1.~~ A county or tribal governing  
21          body that elects not to enter into a contract under par. ~~(am) 1.~~ (a) 2. or to compete for  
22          a contract under par. ~~(am) 2.~~ (ag) shall provide the notice required under this  
23          paragraph by the date established by the department, by rule, under par. ~~(am) 1.~~ (ag).  
24          The notice shall be provided to all employees of the county or tribal governing body  
25          who may be laid off as a result of the county's or tribal governing body's election not

1 to enter into or compete for a contract and to the certified or recognized collective  
2 bargaining representatives of such employees, if any. The notice shall inform the  
3 employees and the representatives that the county or tribal governing body is  
4 making the election not to enter into or compete for a contract; that the employees  
5 may be laid off as a result of that election; that the employees may wish to consider  
6 forming a private agency to bid on the contract under par. (a) 1; that the employees  
7 may obtain information from the department on the competitive process under par.  
8 (a) 1, and the contract requirements under this section; and that the employees may  
9 obtain information from the department on steps that the employees might take to  
10 organize themselves to form a private agency for the purposes of competing for a  
11 contract under par. (a) 1. The department shall provide the information specified in  
12 this paragraph upon the request of any employee or collective bargaining  
13 representative described in this paragraph.

14 **SECTION 1657u.** 49.143 (1) (b) of the statutes is amended to read:

15 49.143 (1) (b) If no acceptable provider in a geographical area is selected under  
16 par. (a) ~~or (am)~~, the department shall administer Wisconsin works in that  
17 geographical area.”

18 **2.** Page 1780, line 16: after that line insert:

19 “(9e) WISCONSIN WORKS CONTRACTS FOR THE 2002-03 CONTRACT PERIOD.

20 (a) *Definitions.* In this subsection:

21 1. “Department” means the department of workforce development.

22 2. “Draft contract terms” means the draft contract terms issued by the  
23 department of workforce development on May 14, 2001, for Wisconsin works

✓  
Insert  
3-117



1 contracts having a term that begins on January 1, 2002, and ends on December 31,  
2 2003.

3 3. "Wisconsin works" has the meaning given in section 49.141 (1) (p) of the  
4 statutes.

5 4. "Wisconsin works agency" has the meaning given in section 49.001 (9) of the  
6 statutes.

7 5. "Wisconsin works contract" means a contract to administer Wisconsin works  
8 under section 49.143 of the statutes, as affected by this act.

9 (b) *Performance bonuses.* Each Wisconsin works contract having a term that  
10 begins on January 1, 2002, and ends on December 31, 2003, shall require the  
11 department to do all of the following:

12 1. Pay a Wisconsin works agency an amount equal to 2% of the total amount  
13 of the contract if the agency meets the performance standards for community  
14 reinvestment that are required under paragraph (d) and the agency is otherwise  
15 eligible to receive payment under the contract.

16 2. Pay a Wisconsin works agency an amount equal to 2% of the total amount  
17 of the contract if the agency meets the performance standards for unrestricted  
18 performance bonus that are required under paragraph (d) and the agency is  
19 otherwise eligible to receive payment under the contract.

20 (c) *Sanctions for unallowable expenses.* Each Wisconsin works contract having  
21 a term that begins on January 1, 2002, and ends on December 31, 2003, shall require  
22 a Wisconsin works agency that submits to the department unallowable expenses,  
23 including expenses that are not reasonable and necessary for the delivery of  
24 Wisconsin works services, to pay to the department a sanction equal to 50% of the

1 total amount of unallowable expenses that were submitted by the Wisconsin works  
2 agency.

3 (d) *Performance standards.* Each Wisconsin works contract having a term that  
4 begins on January 1, 2002, and ends on December 31, 2003, shall include the  
5 performance standards specified in the department's draft contract terms except  
6 that each contract shall specify all of the following:

7 1. That the department may only grant a Wisconsin works agency a one-case  
8 credit for purposes of determining whether the agency meets the base contract  
9 benchmark and whether the agency is eligible to contract with the department under  
10 section 49.143 (1) (a) 2. of the statutes, as created by this act.

11 2. That no Wisconsin works agency may receive a one-case credit for purposes  
12 of determining whether the agency is eligible for unrestricted bonus funds.

13 3. That the performance standards the department uses to determine whether  
14 the Wisconsin works agency meets the base contract benchmark and whether the  
15 Wisconsin works agency is eligible to contract with the department under section  
16 49.143 (1) (a) 2. of the statutes, as created by this act, include an extension request  
17 standard that requires timely processing of requests for extensions and timely  
18 documentation of those requests on the client assistance for reemployment and  
19 economic support computer system.

20 4. That no Wisconsin works agency may be required to meet the extension  
21 requests standard under subdivision 3. to be eligible for unrestricted bonus funds.

22 5. That, if the Wisconsin works agency has an average score of 6.5 on each  
23 survey item under the financial management standards and is otherwise eligible to  
24 receive payment under the contract, the agency shall be eligible for unrestricted  
25 bonus funds.

1           6. That the significant audit finding item that is part of the financial  
2 management performance standard includes an audit finding that the unallowable  
3 or questioned costs exceed a percentage of the total amount of the contract that is  
4 determined by the department.

5           (e) *Community reinvestment funds.* No Wisconsin works contract having a  
6 term that begins on January 1, 2002, and ends on December 31, 2003, may include  
7 a provision that provides community reinvestment funds to a Wisconsin works  
8 agency. *gg*

9           **3.** Page 1813, line 13: after that line insert:

10           “(8c) WISCONSIN WORKS CONTRACTING PROCESS. The treatment of section 49.143  
11 (1) (a), (ag), (am), (ar), and (ay) *and (2g) ✓* of the statutes first applies to contracts entered into,  
12 extended, modified, or renewed on the effective date of this subsection.”.

13           ~~4. Page 1826, line 22: after that line insert:~~

14           ~~“(2c) WISCONSIN WORKS CONTRACTING PROCESS. The treatment of section 49.143~~  
15 ~~(1) (a), (ag), (am), (ar), and (ay) of the statutes and SECTION 9358 (8c) of this act take~~  
16 ~~effect on February 1, 2002.”~~

17           (END)

2001-2002 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRBb0367/2ins  
ISR:.....

Insert 3-17

1. Page 791, line 18: after that line insert:

“SECTION 1660d. 49.143 (2g) of the statutes is created to read:

49.143 (2g) TRANSFER OF FUNDING ALLOCATIONS PROHIBITED. Each contract under sub. (1) shall prohibit a Wisconsin works agency from using funding that is allocated under the contract ~~for~~<sup>to pay</sup> Wisconsin works benefits under s. 49.148 for any of the following:

- (a) Costs of providing direct services to Wisconsin works participants.
- (b) Costs of administering Wisconsin works.”.

Insert 6-19

*nonstat  
par*  
(f) *Contracting process.* Not later than the first day of the first month beginning after the effective date of this paragraph, the department shall amend the draft contract terms to specify that in subsequent contracts the department shall use the contracting process under section 49.143 (1) of the statutes, as affected by this act.”.

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBb0367/2dn

ISR:.....

Victoria Carreón:

I chose the first day of the first month beginning after publication of the budget for the date by DWD must amend the draft contract terms. Please let me know if there is another date I should use.

Ivy G. Sager-Rosenthal  
Legislative Attorney  
Phone: (608) 261-4455  
E-mail: [ivy.sager-rosenthal@legis.state.wi.us](mailto:ivy.sager-rosenthal@legis.state.wi.us)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBb0367/2dn  
ISR:jld:jf

June 6, 2001

Victoria Carreón:

I chose the first day of the first month beginning after publication of the budget for the date by DWD must amend the draft contract terms. Please let me know if there is another date I should use.

Ivy G. Sager-Rosenthal  
Legislative Attorney  
Phone: (608) 261-4455  
E-mail: ivy.sager-rosenthal@legis.state.wi.us

## Sager-Rosenthal, Ivy

---

**From:** Carreon, Victoria  
**Sent:** Thursday, June 07, 2001 1:19 PM  
**To:** Sager-Rosenthal, Ivy  
**Subject:** LRBb0367/2

I know you said there would be further changes to this draft, but I did not see a couple of things in here that I thought would be there. Will they be in the next draft?

- 1) direction to DWD to amend its contract terms regarding right of first selection
- 2) direction to DWD to amend its contract terms regarding change in geographic regions

*george* - This is on page

Also, is the effective date of the budget the same as the first day of the month beginning after publication of the budget? I was confused with the drafters note vs. p.7.

*Victoria*

Victoria Carreón  
Legislative Fiscal Bureau  
State of Wisconsin  
phone (608) 266-3847  
fax (608) 267-6873

## Sager-Rosenthal, Ivy

---

**From:** Carreon, Victoria  
**Sent:** Wednesday, June 06, 2001 1:06 PM  
**To:** Sager-Rosenthal, Ivy  
**Subject:** A few more comments on 0367/1

Rob looked at the draft and had a few comments.

✓ On page 4 line 13, can we change community reinvestment to restricted performance bonus? This may help eliminate the confusion re community reinvestment.

✓ Page 4, line 22, can we add, as determined by the Department, Department-sponsored audit or an audit by the Legislative Audit Bureau?

✓ Page 5 line 20. How about instead saying that the extension requests standard shall not be used for determination of award of unrestricted bonus funds.

Let me know if you have questions.

Victoria



**Sager-Rosenthal, Ivy**

---

**From:** Carreon, Victoria  
**Sent:** Wednesday, June 06, 2001 7:54 AM  
**To:** Sager-Rosenthal, Ivy  
**Subject:** A few other comments

For b0359/2, I think we need a nonstatutory provision directing DWD not to extend the deadline for CR contracts past December 31, 2001.

Also, for b0367/1- we need to add something stating that the competitive process must have criteria including but not limited to cost and prior experience.

Feel free to call when you are ready to talk about the food stamp transfer.

-Victoria

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

date

LRBb0367/3dn

ISR:.....

JLD

Victoria Carreón:

I am not sure that I understand the requirements for the "significant audit finding"?  
Is it okay that the amendment does not specify the percentage that the unallowable costs have to exceed the total amount of the contract for there to be a "significant audit finding"?

Please review this amendment carefully to ensure that it is consistent with your intent.

Ivy G. Sager-Rosenthal  
Legislative Attorney  
Phone: (608) 261-4455  
E-mail: ivy.sager-rosenthal@legis.state.wi.us

Also, I'm not sure



State of Wisconsin  
2001 - 2002 LEGISLATURE

3  
LRBb0367/2

ISR:jld:jf

RMR

LFB:.....Carreon - W-2 contract modifications

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

DNOTS  
soon

1 At the locations indicated, amend the bill as follows:

2 1. Page 790, line 21: after that line insert:

3 "SECTION 1657g. 49.143 (1) (a) of the statutes is repealed and recreated to read:

4 49.143 (1) (a) Except as provided in par. (ar), the department may do any of the  
5 following:

6 1. Award a contract, on the basis of a competitive process approved by the  
7 secretary of administration, to any person to administer Wisconsin works in a  
8 geographical area determined by the department under sub. (6).

9 2. Contract with a Wisconsin works agency to administer Wisconsin works if  
10 that agency has met the performance standards established by the department  
11 under sub. (3), during the immediately preceding contract period.

12 SECTION 1657j. 49.143 (1) (ag) of the statutes is created to read:

NO  
# The competitive process shall include cost and prior  
experience criteria.

1           49.143 (1) (ag) A contract entered into under par. (a) 2. shall be for a term of  
2           at least 2 years. A Wisconsin works agency may elect not to enter into a contract  
3           under par. (a) 2. if the Wisconsin works agency informs the department by the date  
4           established by the department that the Wisconsin works agency has made that  
5           election. A Wisconsin works agency that has not met the performance standards  
6           established by the department under sub. (3) may apply for a contract under the  
7           competitive process established under par. (a) 1.

8           **SECTION 1657m.** 49.143 (1) (am) of the statutes is repealed.

9           **SECTION 1657p.** 49.143 (1) (ar) of the statutes is created to read:

10          49.143 (1) (ar) If the department changes the geographical areas for which a  
11          Wisconsin works agency administers Wisconsin works as provided under sub. (6), the  
12          department shall award contracts on the basis of the competitive process established  
13          by the department under par. (a) 1. regardless of whether a Wisconsin works agency  
14          has met the performance standards established by the department under sub. (3)  
15          and is eligible to contract with the department under par. (a) 2.

16          **SECTION 1657r.** 49.143 (1) (ay) of the statutes is amended to read:

17          49.143 (1) (ay) A county or tribal governing body that enters into a contract  
18          under par. (a) ~~or (am)~~ but elects not to compete for a subsequent contract under par.  
19          (a) 1. shall provide the notice required under this paragraph at least 6 months prior  
20          to the expiration of its contract under par. (a) ~~or (am)~~ 1. A county or tribal governing  
21          body that elects not to enter into a contract under par. ~~(am) 1.~~ (a) 2. or to compete for  
22          a contract under par. (am) 2. (ag) shall provide the notice required under this  
23          paragraph by the date established by the department, by rule, under par. ~~(am) 1.~~ (ag).  
24          The notice shall be provided to all employees of the county or tribal governing body  
25          who may be laid off as a result of the county's or tribal governing body's election not

1 to enter into or compete for a contract and to the certified or recognized collective  
2 bargaining representatives of such employees, if any. The notice shall inform the  
3 employees and the representatives that the county or tribal governing body is  
4 making the election not to enter into or compete for a contract; that the employees  
5 may be laid off as a result of that election; that the employees may wish to consider  
6 forming a private agency to bid on the contract under par. (a) 1; that the employees  
7 may obtain information from the department on the competitive process under par.  
8 (a) 1 and the contract requirements under this section; and that the employees may  
9 obtain information from the department on steps that the employees might take to  
10 organize themselves to form a private agency for the purposes of competing for a  
11 contract under par. (a) 1. The department shall provide the information specified in  
12 this paragraph upon the request of any employee or collective bargaining  
13 representative described in this paragraph.

14 **SECTION 1657u.** 49.143 (1) (b) of the statutes is amended to read:

15 49.143 (1) (b) If no acceptable provider in a geographical area is selected under  
16 par. (a) ~~or (am)~~, the department shall administer Wisconsin works in that  
17 geographical area.”.

18 **2.** Page 791, line 18: after that line insert:

19 **“SECTION 1660d.** 49.143 (2g) of the statutes is created to read:

20 49.143 (2g) TRANSFER OF FUNDING ALLOCATIONS PROHIBITED. Each contract under  
21 sub. (1) shall prohibit a Wisconsin works agency from using funding that is allocated  
22 under the contract to pay Wisconsin works benefits under s. 49.148 for any of the  
23 following:

24 (a) Costs of providing direct services to Wisconsin works participants.

(b) Costs of administering Wisconsin works.”.

**3.** Page 1780, line 16: after that line insert:

“(9e) WISCONSIN WORKS CONTRACTS FOR THE 2002-03 CONTRACT PERIOD.

(a) *Definitions.* In this subsection:

1. “Department” means the department of workforce development.

2. “Draft contract terms” means the draft contract terms issued by the department of workforce development on May 14, 2001, for Wisconsin works contracts having a term that begins on January 1, 2002, and ends on December 31, 2003.

3. “Wisconsin works” has the meaning given in section 49.141 (1) (p) of the statutes.

4. “Wisconsin works agency” has the meaning given in section 49.001 (9) of the statutes.

5. “Wisconsin works contract” means a contract to administer Wisconsin works under section 49.143 of the statutes, as affected by this act.

(b) *Performance bonuses.* Each Wisconsin works contract having a term that begins on January 1, 2002, and ends on December 31, 2003, shall require the department to do all of the following:

1. Pay a Wisconsin works agency an amount equal to 2% of the total amount of the contract if the agency meets the performance standards for ~~community~~ <sup>restricted performance bonus</sup> ~~investment~~ that are required under paragraph (d) and the agency is otherwise eligible to receive payment under the contract.

2. Pay a Wisconsin works agency an amount equal to 2% of the total amount of the contract if the agency meets the performance standards for unrestricted

1 performance bonus that are required under paragraph (d) and the agency is  
2 otherwise eligible to receive payment under the contract.

3 (c) *Sanctions for unallowable expenses.* Each Wisconsin works contract having  
4 a term that begins on January 1, 2002, and ends on December 31, 2003, shall require  
5 a Wisconsin works agency that submits to the department unallowable expenses,  
6 including expenses that are not reasonable and necessary for the delivery of  
7 Wisconsin works services, to pay to the department a sanction equal to 50% of the  
8 total amount of unallowable expenses that were submitted by the Wisconsin works  
9 agency.

10 (d) *Performance standards.* Each Wisconsin works contract having a term that  
11 begins on January 1, 2002, and ends on December 31, 2003, shall include the  
12 performance standards specified in the department's draft contract terms except  
13 that each contract shall specify all of the following:

14 1. That the department may only grant a Wisconsin works agency a one-case  
15 credit for purposes of determining whether the agency meets the base contract  
16 benchmark and whether the agency is eligible to contract with the department under  
17 section 49.143 (1) (a) 2. of the statutes, as created by this act.

18 2. That no Wisconsin works agency may receive a one-case credit for purposes  
19 of determining whether the agency is eligible for unrestricted bonus funds.

20 3. That the performance standards the department uses to determine whether  
21 the Wisconsin works agency meets the base contract benchmark and whether the  
22 Wisconsin works agency is eligible to contract with the department under section  
23 49.143 (1) (a) 2. of the statutes, as created by this act, include an extension request  
24 standard that requires timely processing of requests for extensions and timely

1 documentation of those requests on the client assistance for reemployment and  
2 economic support computer system. ✓

3 4. That ~~no~~ <sup>the department may not apply</sup> Wisconsin works agency may be required to ~~meet~~ <sup>to determine whether a Wisconsin works agency</sup> the extension  
4 requests standard under subdivision 3. ~~It is~~ <sup>to receive</sup> eligible for unrestricted bonus funds. <sup>in</sup>

5 5. That, if the Wisconsin works agency has an average score of 6.5 on each  
6 survey item under the financial management standards and is otherwise eligible to  
7 receive payment under the contract, the agency shall be eligible for unrestricted  
8 bonus funds.

9 6. That the significant audit finding item that is part of the financial  
10 management performance standard includes an audit finding that the unallowable  
11 or questioned costs <sup>✓</sup> exceed a percentage of the total amount of the contract that is  
12 determined by the department.

13 (e) *Community reinvestment funds.* No Wisconsin works contract having a  
14 term that begins on January 1, 2002, and ends on December 31, 2003, may include  
15 a provision that provides community reinvestment funds to a Wisconsin works  
16 agency.

17 (f) *Contracting process.* Not later than the first day of the first month beginning  
18 after the effective date of this paragraph, the department shall amend the draft  
19 contract terms to specify that in subsequent contracts the department shall use the  
20 contracting process <sup>specified</sup> under section 49.143 (1) of the statutes, as affected by this act.”.

21 4. Page 1813, line 13: after that line insert:

as identified by the department <sup>✓</sup> or in an audit sponsored  
by the department or legislative audit bureau,



1           “(8c) WISCONSIN WORKS CONTRACTING PROCESS. The treatment of section 49.143  
2       (1) (a), (ag), (am), (ar), and (ay) and (2g) of the statutes first applies to contracts  
3       entered into, extended, modified, or renewed on the effective date of this subsection.”.

4 (END)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRBb0367/3dn  
ISR:jld:rs

June 8, 2001

Victoria Carreón:

I am not sure that I understand the requirements for the "significant audit finding." Is it okay that the amendment does not specify the percentage that the unallowable costs have to exceed the total amount of the contract for there to be a "significant audit finding"?

Please review this amendment carefully to ensure that it is consistent with your intent.

Ivy G. Sager-Rosenthal  
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State of Wisconsin  
2001 - 2002 LEGISLATURE

4  
LRBb0367/3

ISR:jld:rs

Rm not run

LFB:.....Carreon - W-2 contract modifications

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

only change  
is on P. 5, lines 8-9  
Thanks

1 At the locations indicated, amend the bill as follows:

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2       49.143 (1) (ag) A contract entered into under par. (a) 2. shall be for a term of  
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21      to the expiration of its contract under par. (a) ~~or (am)~~ 1. A county or tribal governing  
22      body that elects not to enter into a contract under par. ~~(am) 1.~~ (a) 2. or to compete for  
23      a contract under par. ~~(am) 2.~~ (ag) shall provide the notice required under this  
24      paragraph by the date established by the department, by rule, under par. ~~(am) 1.~~ (ag).  
25      The notice shall be provided to all employees of the county or tribal governing body

1 who may be laid off as a result of the county's or tribal governing body's election not  
2 to enter into or compete for a contract and to the certified or recognized collective  
3 bargaining representatives of such employees, if any. The notice shall inform the  
4 employees and the representatives that the county or tribal governing body is  
5 making the election not to enter into or compete for a contract; that the employees  
6 may be laid off as a result of that election; that the employees may wish to consider  
7 forming a private agency to bid on the contract under par. (a) 1.; that the employees  
8 may obtain information from the department on the competitive process under par.  
9 (a) 1. and the contract requirements under this section; and that the employees may  
10 obtain information from the department on steps that the employees might take to  
11 organize themselves to form a private agency for the purposes of competing for a  
12 contract under par. (a) 1. The department shall provide the information specified in  
13 this paragraph upon the request of any employee or collective bargaining  
14 representative described in this paragraph.

15 **SECTION 1657u.** 49.143 (1) (b) of the statutes is amended to read:

16 49.143 (1) (b) If no acceptable provider in a geographical area is selected under  
17 par. (a) ~~or (am)~~, the department shall administer Wisconsin works in that  
18 geographical area.”.

19 **2.** Page 791, line 18: after that line insert:

20 “**SECTION 1660d.** 49.143 (2g) of the statutes is created to read:

21 49.143 (2g) **TRANSFER OF FUNDING ALLOCATIONS PROHIBITED.** Each contract under  
22 sub. (1) shall prohibit a Wisconsin works agency from using funding that is allocated  
23 under the contract to pay Wisconsin works benefits under s. 49.148 for any of the  
24 following:

1 (a) Costs of providing direct services to Wisconsin works participants.

2 (b) Costs of administering Wisconsin works.”.

3 **3.** Page 1780, line 16: after that line insert:

4 “(9e) WISCONSIN WORKS CONTRACTS FOR THE 2002–03 CONTRACT PERIOD.

5 (a) *Definitions.* In this subsection:

6 1. “Department” means the department of workforce development.

7 2. “Draft contract terms” means the draft contract terms issued by the  
8 department of workforce development on May 14, 2001, for Wisconsin works  
9 contracts having a term that begins on January 1, 2002, and ends on December 31,  
10 2003.

11 3. “Wisconsin works” has the meaning given in section 49.141 (1) (p) of the  
12 statutes.

13 4. “Wisconsin works agency” has the meaning given in section 49.001 (9) of the  
14 statutes.

15 5. “Wisconsin works contract” means a contract to administer Wisconsin works  
16 under section 49.143 of the statutes, as affected by this act.

17 (b) *Performance bonuses.* Each Wisconsin works contract having a term that  
18 begins on January 1, 2002, and ends on December 31, 2003, shall require the  
19 department to do all of the following:

20 1. Pay a Wisconsin works agency an amount equal to 2% of the total amount  
21 of the contract if the agency meets the performance standards for restricted  
22 performance bonus that are required under paragraph (d) and the agency is  
23 otherwise eligible to receive payment under the contract.

1           2. Pay a Wisconsin works agency an amount equal to 2% of the total amount  
2 of the contract if the agency meets the performance standards for unrestricted  
3 performance bonus that are required under paragraph (d) and the agency is  
4 otherwise eligible to receive payment under the contract.

5           (c) *Sanctions for unallowable expenses.* Each Wisconsin works contract having  
6 a term that begins on January 1, 2002, and ends on December 31, 2003, shall require  
7 a Wisconsin works agency that submits to the department unallowable expenses,  
8 *as identified by the department or in an audit sponsored by the department*  
9 *(including expenses that are not reasonable and necessary for the delivery of or*  
10 *Wisconsin works services, to pay to the department a sanction equal to 50% of the*  
11 *total amount of unallowable expenses that were submitted by the Wisconsin works*  
12 *agency.* *legislative audit bureau*

13           (d) *Performance standards.* Each Wisconsin works contract having a term that  
14 begins on January 1, 2002, and ends on December 31, 2003, shall include the  
15 performance standards specified in the department's draft contract terms except  
16 that each contract shall specify all of the following:

17           1. That the department may only grant a Wisconsin works agency a one-case  
18 credit for purposes of determining whether the agency meets the base contract  
19 benchmark and whether the agency is eligible to contract with the department under  
20 section 49.143 (1) (a) 2. of the statutes, as created by this act.

21           2. That no Wisconsin works agency may receive a one-case credit for purposes  
22 of determining whether the agency is eligible for unrestricted bonus funds.

23           3. That the performance standards the department uses to determine whether  
24 the Wisconsin works agency meets the base contract benchmark and whether the  
25 Wisconsin works agency is eligible to contract with the department under section  
49.143 (1) (a) 2. of the statutes, as created by this act, include an extension request

1 standard that requires timely processing of requests for extensions and timely  
2 documentation of those requests on the client assistance for reemployment and  
3 economic support computer system.

4 4. That the department may not apply the extension requests standard under  
5 subdivision 3. to determine whether a Wisconsin works agency is eligible to receive  
6 unrestricted bonus funds.

7 5. That, if the Wisconsin works agency has an average score of 6.5 on each  
8 survey item under the financial management standards and is otherwise eligible to  
9 receive payment under the contract, the agency shall be eligible for unrestricted  
10 bonus funds.

11 6. That the significant audit finding item that is part of the financial  
12 management performance standard includes an audit finding that the unallowable  
13 or questioned costs, as identified by the department or in an audit sponsored by the  
14 department or legislative audit bureau, exceed a percentage of the total amount of  
15 the contract that is determined by the department.

16 (e) *Community reinvestment funds.* No Wisconsin works contract having a  
17 term that begins on January 1, 2002, and ends on December 31, 2003, may include  
18 a provision that provides community reinvestment funds to a Wisconsin works  
19 agency.

20 (f) *Contracting process.* Not later than the first day of the first month beginning  
21 after the effective date of this paragraph, the department shall amend the draft  
22 contract terms to specify that in subsequent contracts the department shall use the  
23 contracting process specified under section 49.143 (1) of the statutes, as affected by  
24 this act.”.



1           **4.** Page 1813, line 13: after that line insert:

2           “(8c) WISCONSIN WORKS CONTRACTING PROCESS. The treatment of section 49.143

3 (1) (a), (ag), (am), (ar), and (ay) and (2g) of the statutes first applies to contracts

4 entered into, extended, modified, or renewed on the effective date of this subsection.”.

5 (END)

LFB:.....Carreon - W-2 contract modifications

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

**LFB AMENDMENT**

**TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144**

1           At the locations indicated, amend the bill as follows:

2           **1.** Page 790, line 21: after that line insert:

3           “**SECTION 1657g.** 49.143 (1) (a) of the statutes is repealed and recreated to read:

4           49.143 (1) (a) Except as provided in par. (ar), the department may do any of the  
5 following:

6           1. Award a contract, on the basis of a competitive process approved by the  
7 secretary of administration, to any person to administer Wisconsin works in a  
8 geographical area determined by the department under sub. (6). The competitive  
9 process shall include cost and prior experience criteria.

10           2. Contract with a Wisconsin works agency to administer Wisconsin works if  
11 that agency has met the performance standards established by the department  
12 under sub. (3), during the immediately preceding contract period.

1       **SECTION 1657j.** 49.143 (1) (ag) of the statutes is created to read:

2       49.143 (1) (ag) A contract entered into under par. (a) 2. shall be for a term of  
3       at least 2 years. A Wisconsin works agency may elect not to enter into a contract  
4       under par. (a) 2. if the Wisconsin works agency informs the department by the date  
5       established by the department that the Wisconsin works agency has made that  
6       election. A Wisconsin works agency that has not met the performance standards  
7       established by the department under sub. (3) may apply for a contract under the  
8       competitive process established under par. (a) 1.

9       **SECTION 1657m.** 49.143 (1) (am) of the statutes is repealed.

10       **SECTION 1657p.** 49.143 (1) (ar) of the statutes is created to read:

11       49.143 (1) (ar) If the department changes the geographical areas for which a  
12       Wisconsin works agency administers Wisconsin works as provided under sub. (6), the  
13       department shall award contracts on the basis of the competitive process established  
14       by the department under par. (a) 1. regardless of whether a Wisconsin works agency  
15       has met the performance standards established by the department under sub. (3)  
16       and is eligible to contract with the department under par. (a) 2.

17       **SECTION 1657r.** 49.143 (1) (ay) of the statutes is amended to read:

18       49.143 (1) (ay) A county or tribal governing body that enters into a contract  
19       under par. (a) ~~or (am)~~ but elects not to compete for a subsequent contract under par.  
20       (a) 1. shall provide the notice required under this paragraph at least 6 months prior  
21       to the expiration of its contract under par. (a) ~~or (am)~~ 1. A county or tribal governing  
22       body that elects not to enter into a contract under par. ~~(am) 1.~~ (a) 2. or to compete for  
23       a contract under par. ~~(am) 2.~~ (ag) shall provide the notice required under this  
24       paragraph by the date established by the department, by rule, under par. ~~(am) 1.~~ (ag).  
25       The notice shall be provided to all employees of the county or tribal governing body

1 who may be laid off as a result of the county's or tribal governing body's election not  
2 to enter into or compete for a contract and to the certified or recognized collective  
3 bargaining representatives of such employees, if any. The notice shall inform the  
4 employees and the representatives that the county or tribal governing body is  
5 making the election not to enter into or compete for a contract; that the employees  
6 may be laid off as a result of that election; that the employees may wish to consider  
7 forming a private agency to bid on the contract under par. (a) 1.; that the employees  
8 may obtain information from the department on the competitive process under par.  
9 (a) 1. and the contract requirements under this section; and that the employees may  
10 obtain information from the department on steps that the employees might take to  
11 organize themselves to form a private agency for the purposes of competing for a  
12 contract under par. (a) 1. The department shall provide the information specified in  
13 this paragraph upon the request of any employee or collective bargaining  
14 representative described in this paragraph.

15 **SECTION 1657u.** 49.143 (1) (b) of the statutes is amended to read:

16 49.143 (1) (b) If no acceptable provider in a geographical area is selected under  
17 par. (a) ~~or (am)~~, the department shall administer Wisconsin works in that  
18 geographical area.”.

19 **2.** Page 791, line 18: after that line insert:

20 **“SECTION 1660d.** 49.143 (2g) of the statutes is created to read:

21 49.143 (2g) TRANSFER OF FUNDING ALLOCATIONS PROHIBITED. Each contract under  
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23 under the contract to pay Wisconsin works benefits under s. 49.148 for any of the  
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21 of the contract if the agency meets the performance standards for restricted  
22 performance bonus that are required under paragraph (d) and the agency is  
23 otherwise eligible to receive payment under the contract.

1           2. Pay a Wisconsin works agency an amount equal to 2% of the total amount  
2 of the contract if the agency meets the performance standards for unrestricted  
3 performance bonus that are required under paragraph (d) and the agency is  
4 otherwise eligible to receive payment under the contract.

5           (c) *Sanctions for unallowable expenses.* Each Wisconsin works contract having  
6 a term that begins on January 1, 2002, and ends on December 31, 2003, shall require  
7 a Wisconsin works agency that submits to the department unallowable expenses, as  
8 identified by the department or in an audit sponsored by the department or  
9 legislative audit bureau to pay to the department a sanction equal to 50% of the total  
10 amount of unallowable expenses that were submitted by the Wisconsin works  
11 agency.

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15 that each contract shall specify all of the following:

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17 credit for purposes of determining whether the agency meets the base contract  
18 benchmark and whether the agency is eligible to contract with the department under  
19 section 49.143 (1) (a) 2. of the statutes, as created by this act.

20           2. That no Wisconsin works agency may receive a one-case credit for purposes  
21 of determining whether the agency is eligible for unrestricted bonus funds.

22           3. That the performance standards the department uses to determine whether  
23 the Wisconsin works agency meets the base contract benchmark and whether the  
24 Wisconsin works agency is eligible to contract with the department under section  
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6 unrestricted bonus funds.

7 5. That, if the Wisconsin works agency has an average score of 6.5 on each  
8 survey item under the financial management standards and is otherwise eligible to  
9 receive payment under the contract, the agency shall be eligible for unrestricted  
10 bonus funds.

11 6. That the significant audit finding item that is part of the financial  
12 management performance standard includes an audit finding that the unallowable  
13 or questioned costs, as identified by the department or in an audit sponsored by the  
14 department or legislative audit bureau, exceed a percentage of the total amount of  
15 the contract that is determined by the department.

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19 agency.

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22 contract terms to specify that in subsequent contracts the department shall use the  
23 contracting process specified under section 49.143 (1) of the statutes, as affected by  
24 this act.”.

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2           “(8c) WISCONSIN WORKS CONTRACTING PROCESS. The treatment of section 49.143  
3       (1) (a), (ag), (am), (ar), and (ay) and (2g) of the statutes first applies to contracts  
4       entered into, extended, modified, or renewed on the effective date of this subsection.”.

**5 (END)**